

## **605 KAR 1:070. Change of ownership.**

RELATES TO: KRS 190.030

STATUTORY AUTHORITY: KRS 190.030

NECESSITY, FUNCTION, AND CONFORMITY: KRS 190.030 requires each separate entity acting as a dealer to have a license and to make needed reports to the Motor Vehicle Commission. This administrative regulation establishes requirements for change of ownership of dealer licenses, particularly if a sale or transfer occurs, so that the commission can be on notice of who actually holds a license.

Section 1. A complete change of ownership of a licensee shall require a new Application for Motor Vehicle Dealer License from the new owner.

Section 2. Upon the sale or transfer of a licensee's business to a new individual or entity, the new owner shall secure a new license for each location acquired.

Section 3.(1) If the licensee is a corporation or limited liability company, the transfer of the controlling stock or controlling membership interest shall be reported to the commission within fifteen (15) days of the transfer.

(2) The commission may require a new license application based on the reported transfer.

Section 4. The commission shall be notified on a timely basis of the following the death of:

(1) A licensee who is a sole proprietor;

(2) A general partner of a partnership or limited partnership licensee; or

(3) An owner of the controlling interest of a corporate or limited liability company licensee.

Section 5. In the case of the death of a sole proprietor, the commission may, if the executor or administrator, alone or in conjunction with dealership employees, is capable of operating the business in compliance with KRS Chapter 190, allow a duly qualified executor or administrator to operate the business for the remainder of the calendar year. In the case of the death of an owner of a partnership, corporation, or limited liability company, the commission shall require a new Application for Motor Vehicle Dealer License if the death results in a material change to the financial, moral, or operational fitness of the licensee.

Section 6. Incorporation by Reference. (1) "Application for Motor Vehicle Dealer License", TC 98-1, August 2012, is incorporated by reference.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Kentucky Motor Vehicle Commission, 105 Sea Hero Road, Suite 1, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m. (Recodified from 601 KAR 21:070, 7-13-84; 40 Ky.R. 668; 1255; eff. 1-3-2014.)